

FISCAL NOTE
SB 2257 - HB 2377

January 25, 2000

SUMMARY OF BILL: (1) Adopts Revised Article 9 of the Uniform Commercial Code; (2) provides for the filing of all UCC financing statements in Tennessee (other than fixture filings and filings in which the collateral is as-extracted collateral or timber to be cut) with the Secretary of State. (Current law provides for the filing of certain agricultural liens and consumer goods financing statements with the Register of Deeds at the county level.); and (3) makes certain technical filing changes within the Secretary of State's Office.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$100,000
Increase State Expenditures - \$50,292 One-Time

Decrease Local Govt. Revenues - Exceeds \$100,000

Increase in state expenditures from computer programming changes is estimated to be \$50,292. (\$225/hr x 176 hours, plus 10% contingency (\$3960) and 17% travel (\$6732). Costs are based upon rates quoted by vendor for programming changes made to Secretary of State's computer system in 1999.

Assumes the current UCC filing fees and indebtedness tax remain essentially the same under the proposed changes to Article 9 of the Uniform Commercial Code. However, there will be a shift of revenues collected from the county to the state level due to filing location changes. Such shift in revenues cannot be determined but can reasonably be estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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